

# SENATE BILL REPORT

## SB 5367

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As Passed Senate, March 7, 2011

**Title:** An act relating to authorizing the economic development finance authority to continue issuing bonds.

**Brief Description:** Authorizing the economic development finance authority to continue issuing bonds.

**Sponsors:** Senators Kastama, Chase, Holmquist Newbry, Shin and Kilmer.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 2/02/11, 2/07/11 [DP].  
Passed Senate: 3/07/11, 48-0.

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Majority Report:** Do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Baumgartner, Ranking Minority Member; Hatfield, Holmquist Newbry, Kilmer and Shin.

**Staff:** Jack Brummel (786-7428)

**Background:** The Washington Economic Development Finance Authority (WEDFA) was established in 1989 to help small- and medium-sized businesses meet their capital needs. It is authorized to issue nonrecourse economic development bonds on both a taxable and tax-exempt basis. WEDFA has operated independent of state financial support since 1996.

WEDFA is not to exceed \$1 billion in total outstanding debt.

**Summary of Bill:** The limitation on WEDFA's outstanding debt is increased to \$1.5 billion.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff Summary of Public Testimony:** PRO: These bonds don't affect our bond capacity. Private banks back the loans. WEDFA sanctions them as meeting federal tax-free bonding requirements.

**Persons Testifying:** PRO: Senator Kastama, prime sponsor.